

be covered. Fundamentally, the McCain-Feingold bill covered contributions of larger sums of money to political parties but it did not prevent people giving large contributions to an independent environmental group, an independent pro-choice group, or an independent pro-life group so they could run ads during a campaign season and say: Candidate JEFF SESSIONS doesn't agree with our views, vote against him.

The problem I have had with campaign finance reform is it was not in this McCain-Feingold bill. Why? Because this is America, these are political campaigns. Is the Senate going to pass a law that says individual American citizens can't raise money and run an ad and express their view as to how the American public should or should not vote on an issue?

It is frustrating to have the moneys come in. I certainly believe they ought to be disclosed. I was, I believe, a victim or target of one of these ads when I ran for the Senate 3 years ago. It came under the guise of an environmental group, but I know the money came mainly to beat up on me.

How can anyone say that is wrong? How can we say a group cannot raise money and run ads during an election campaign season about issues? I am troubled by that. I am frustrated not having a lot of money myself, facing two candidates in my primary, both of whom spent over \$1 million of their own money, most of it beating up on me. I was struggling with \$1,000 maximum contributions per person to try to fight back. I was able to do so. Fortunately, the American people don't vote on who has the most money. There are other issues. We have seen that time and time again. They are pretty sophisticated in how to evaluate this.

I am troubled by this idea that we can, out of some sort of vision of good government, blithely walk in and say candidates are not going to be able to raise money; they are not going to be able to spend money to express their ideas during an election campaign.

When do we want to do it? They say just accept certain guidelines for 6 months prior to the election. When do we want to speak out, if it isn't when people are getting ready to vote?

MARRIAGE TAX PENALTY

Mr. SESSIONS. Mr. President, I believe all in government in Washington, DC, and in every State, need to ask ourselves: Do our legislative acts, the public policies that we create, enhance or nurture our better instincts as a people? Are we conducting activities and passing laws that further benefit the better instincts of our Nation as a people?

A payment to somebody or some institution is an incentive to them, for whatever reason, that incentivizes and encourages that activity that got them the payment.

A tax, likewise, is a penalty. It discourages, it penalizes, it hurts. It sanctions certain kinds of behavior. That is so basic as to be without dispute. Frankly, our Founding Fathers knew this.

Professor Sindell, at Harvard, has written a book. I have not read the book, but I read the article, I believe in the Atlantic Monthly, about how in the first 150 years of our Nation's history, if you look at the debate that occurred in Congress, the Senate and the House, they were constantly debating what to sign and what to veto and what bills to support; they were always debating this principle.

(Mr. KYL assumed the chair.)

Mr. SESSIONS. Mr. President, is this going to make people better? Is it going to encourage their best instincts or will it encourage poor instincts? Will it encourage bad behavior? If they vote for or against bills on that basis, will it make us better people? That is an important issue. We ought to think about it.

We encourage a lot of activities in America through our tax policies. We encourage people to give to charitable institutions, churches, and schools by making those contributions tax deductible.

We help families raise their children by providing a deduction or a child tax credit, which we passed a few years ago.

We encourage savings by making the interest on individual retirement accounts tax free.

I have introduced a bill to make the interest that accrues on savings for prepaid college tuition plans tax free because we ought to encourage saving for education and have families and children invest in their education.

In many States—Kentucky, for example—the average contribution to those plans is \$47 per month. They are middle-income people who care about their children's education. They are saving for their children's education, and we are taxing them on the interest that accrues on that savings for college education.

In my view, that is bad public policy. We discourage and penalize other activities we feel we can do without but we do not want to prohibit entirely. We tax cigarettes at a very high rate. We know that tobacco is bad for our health. It is not a good thing to do, and we have pretty high taxes, higher taxes every year it seems, and rightly so.

We tax gasoline. We can talk about the cost of gasoline. Last year in Alabama, gasoline was under \$1 a gallon in a lot of places. Forty percent of the cost of that gallon of gasoline was State and Federal tax because we do not want people to use more than they need, we want to keep supplies strong. We do not want to import anymore than we have to, and we want to reduce pollution.

There are other taxes and penalties on people who pollute. That is one of the policies.

We have higher taxes on alcohol than we do a lot of other products.

We do not tax, for example, prescription drugs—most States do not. There is sales tax on all kinds of products that are sold in our grocery stores, but we do not tax prescription drugs because we know people need those drugs, and we do not want to penalize that.

Another thing we tax which I must add to that list is marriage. We are taxing and penalizing marriage to an extraordinary degree.

At church Sunday in Alabama—it was a pleasure to get back home—my minister told a story about an old man who had never been to town. His grandchildren said: Grandpa, you need to go to town. He finally agreed. He had never seen a zoo, so they wanted to take him to a zoo. They took him to a zoo, and he came upon a giraffe. He stood there and just looked at that giraffe. He walked around that giraffe, he studied that giraffe, and he spent 2 hours looking at that giraffe. He finally said: I still don't believe it.

We are at that point with the marriage penalty. Some people do not believe it is happening, that we are taxing marriage. It is very real. Talk to young people all over America today and ask them about what is going to happen to their taxes when two of them, particularly if both are working, are married. It costs them a lot of money.

We have to end this. We need to end this tax penalty. The President said he was for it. The proposal he made in his State of the Union Address and subsequently is insignificant in meeting that challenge, but it is an admission that he believes there is a problem.

Let's look at it. Soon we are going to be seeing legislation in this body to deal with it. I hope we will study it carefully and end this governmental policy of penalizing and discouraging marriage. That is wrong. We need to encourage marriage. We do not need to penalize singleness, but they ought not have a financial incentive to remain single. We should not have public policy that favors singleness over marriage. We should have a fair policy that does not favor one over the other.

I have a young staff member who married recently. He had been dating his fiancée for over four years and they finally married. He tells me they will pay over \$1,000 a year more having married. They married in July of last year, and they have to pay the marriage tax for the whole year. It is \$1,000. That is roughly \$100 a month out of their budget simply because they quit being engaged and were married. That is not right. That is wrongheaded. We do not need to continue this.

A good friend of mine, a fine person, unfortunately went through a divorce. She divorced in January a year ago. She told me that had they divorced in December, it would have saved them \$1,600 on their tax bill. That is approximately \$130 a month. They gave up that much because they did not divorce

earlier. Can you imagine a governmental public policy that provides a subsidy, an incentive, a bribe almost, to divorce? That is wrong. We do not need to do this any longer. I believe in this strongly.

This is a disadvantage too often to women. Women are just now breaking through the glass ceiling and making higher incomes. Many on the other side of the aisle and the President say: We do not want to deal with this problem of higher income people; we only want to have a marriage penalty elimination for the lowest income people.

What is wrong with two people working and doing modestly well today? Here is an example. Heather's income is \$33,000. Her husband Brad's income is \$37,000. Their total income is \$70,000. It is the American dream, to do well and make those kinds of incomes. That is not rich. You cannot buy a house, buy a car, and educate your children well if you are not making in that range. It is harder and harder to do those things if you make less than that. Everybody knows that. Those are salaries one wants to see more and more Americans achieve.

Because they are married, they may take a standard deduction of \$7,100, as well as two personal exemptions of \$2,700. This leaves them with a taxable income of \$57,500. If they were cohabitating, living outside marriage, Heather and Brad could each take a standard deduction of \$4,200. Heather's taxable income would be \$26,000; Brad's would be \$30,000. Their combined taxable income would be \$56,000. Because they are married, Heather and Brad must pay \$1,400 more than if they were cohabitating. To them, it means approximately a \$40-a-month charge.

That is a policy we should end. I believe this Congress is committed to it.

We are going to continue to proceed to work through the fine details of all these tax regulations and the thousands and thousands of tax pages to make sure we are doing it right and fair. But I do not think a couple making \$80,000 or \$90,000 or \$100,000 ought to be denied equity. Why should they be taxed more than two single individuals making \$100,000 collectively? They do not have to pay the extra taxes.

We are dealing with an issue whose time has come. The marriage penalty must end. We are not against singleness. I do not think there should be any battle between people who are single, who think it is some sort of tax advantage, and those who are married. We do not believe there should be any tax advantage. We are simply trying to level the playing field. This is a move toward equity and fairness at its basic level. It is a move to encourage good public policy, good activities, such as marriage and raising a family, and not taxing them. It sets a goal for us that we ought to pursue.

We ought to quit discouraging marriage, quit taxing and penalizing it, and allow people to make their choices in this country as they choose without

having the tax man sticking his nose in their financial and personal matters.

I thank the Chair for this time. I am glad to see the Senator from Wyoming here. I appreciate his leadership. I know the Presiding Officer has been a champion in eliminating a lot of inequities in the Tax Code. I thank him for his leadership in that regard.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I appreciate very much the remarks of the Senator from Alabama. We have lots of choices when we talk about tax relief, but this is one choice that is not only good for our country economically but certainly as a fairness issue is one that each of us, I think, supports.

THE REPUBLICAN AGENDA

Mr. THOMAS. Mr. President, there are lots of things we can talk about and, indeed, should talk about. The Senator from Alaska talked about the problem of fuel, the problem of petroleum costs. That is a very real issue for us, of course, and one we need to deal with. We talk about the marriage tax penalty. There are all kinds of things we must talk about.

There are some basic issues—and I have talked about them before—that I believe strongly in, issues that clearly are the responsibility of this body and the responsibility of the Federal Government to deal with. Frankly, sometimes it is very difficult to do that.

Unfortunately, I suspect that Presidential election years make it even harder than usual to do some of the things that clearly need to be done. One of the reasons, of course, is that there is a great tendency to talk about the things that can be used as campaign issues as opposed to seeking solutions. Unfortunately, that does happen.

The majority party, this side of the aisle, does have an agenda. I think we have a strong agenda that reflects, at least in my State, the majority of voters. I have been back home in my State every weekend this year. We talk about those issues all the time.

I am hopeful we can focus on those issues. I know sometimes it is difficult to get those issues on the floor. It is difficult to get them out and to find some sort of solution. I believe we have a responsibility to do that. I think we have a responsibility to do that as the majority party.

There are times, of course, when, if we could pass something, the President would veto it. That is his choice. Let him veto it. I think it is our responsibility to bring those issues forward and to resolve them in a way that best fits our philosophy of what we think is good for this country.

Certainly, there are a number of things that are very high on the agenda, such as the budget, such as the spending level and for what, in fact, the taxes are spent. Social Security, I am sure, is an issue that almost every-

one is concerned about. Frankly, the younger you are, the more concerned about it you ought to be.

Another issue is doing something about the debt that we still have, a substantial debt that we have incurred over the last number of years and now, apparently, are expecting somebody else to pay. Another issue is tax relief.

These are the things we really ought to focus on; and I wish we would.

We talk about the budget. It seems to me, there is probably nothing more important, in terms of gauging where we go with the Federal Government, than the budget, because the budget, after all, is sort of the limitation as to where we go. The limitation is the thing that causes us to have to establish spending priorities. Of course, if you had an endless amount of money, you would not need to have priorities; you would just spend money. I do not think many people would want to do that; certainly, most taxpayers would not.

In the budget we have to find an amount. I think one of the things we are dedicated to, as Republicans, and, hopefully, all of us in the Senate this year, is to complete the budget and, subsequently, the appropriations, at the time set forth in the law and the time set forth in our operation here.

Last year, for example, we waited too long. We were here at the very end of the session trying to complete the budget. Of course, there is always controversy at the end of the session. There are always decisions to be made when you are at the end of the session.

It is even more difficult at the end of a session because the administration—particularly with this President—has used the end of the session as a very effective leveraging tool for the President to get what he wants; otherwise, he threatens to shut down the Government. Even though the President shut the Government down in the last experience, the Congress got the blame for doing that.

We need to get this thing done. We need to get it done before the first of September, and certainly before the end of September which is the end of the fiscal year.

We need to set the amounts so that they somewhat control growth. If you believe, as many of us do, that there ought to be some limitation to the size of the Federal Government, it ought to be constitutionally limited to those things that the Constitution provides. If you believe that most of the governing ought to take place at the local level, closer to the people, in the States and in the counties, then there ought to be some limit in growth.

Last year, unfortunately—and I voted against the bill—we ended up with something like 7½ or 8 percent growth in the budget—too much, I think. That is too much. Hopefully, we can hold it this year to no more than the growth due to inflation.

Of course, there are new programs that have to be funded. But there also ought to be a termination to some of